

Debt burden ratio distribution, average income, and average annual payment in the first full year of repayment: 1997-2000

First Full Year of Repayment	<= \$0 Income ²	Debt Burden Ratio ¹				
		0-5%	5-10%	10-15%	15-20%	> 20%
2000						
Percent (%)	12.76	41.16	23.84	9.81	4.50	7.93
Average income (\$) ³	-595	54,249	36,842	30,025	26,199	17,194
Average annual payment (\$) ⁴	2,157	1,345	2,586	3,638	4,488	5,688
1999						
Percent (%)	12.37	40.27	24.66	10.14	4.61	7.95
Average income (\$) ³	-1,546	48,716	32,638	26,536	23,107	15,108
Average annual payment (\$) ⁴	1,779	1,229	2,297	3,202	3,958	5,017
1998						
Percent (%)	10.41	36.85	25.36	11.34	5.54	10.50
Average income (\$) ³	-498	45,375	30,556	25,435	21,861	14,592
Average annual payment (\$) ⁴	1,859	1,174	2,157	3,077	3,759	4,958
1997						
Percent (%)	11.64	38.46	25.07	10.87	5.05	8.92
Average income (\$) ³	-1,265	43,927	28,162	23,433	19,843	12,900
Average annual payment (\$) ⁴	1,602	1,109	1,977	2,838	3,402	4,232

¹ Debt Burden Ratio = Annual payment divided by annual income. Cases with \$0 or less income had their debt burden ratio set to an arbitrarily high number.

² The vast majority of these cases are borrowers whose Social Security Numbers did not match with IRS files. These borrowers were assumed to have \$0 income.

² Average Income = Income of the borrower, and their spouse if married filing jointly.

⁴ Average Annual Payment = Yearly payments required on the borrower's total Federal debt assuming a fixed 10-year repayment schedule. At an 8% interest rate, an annual payment amount of \$1,000 would translate into a total debt of approximately \$6,900.

Source: Debt information from a random sample of Federal borrowers drawn from the National Student Loan Data System merged with income data from Internal Revenue Service records. No NCES data were used to produce this table.